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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telcon with President of Russia (U)

PARTICIPANTS: The President
President Putin

Notetakers: Janeen Chupa, Andrew Green,
Jeff Houle

Interpreter: Peter Afanasenko

DATE, TIME May 7, 2002, 7:25 - 7:43 a.m. EDT
AND PLACE: Oval Office

The President: Good morning, Vladimir. (U)

President Putin: Good morning, George. (U)

The President: Good morning. First, I want to wish you a great Russian Easter and a glorious Victory Day. (U)

President Putin: Thank you very much. Well, the Victory Day is our common day, so I congratulate you and the American people from the bottom of my heart on this day. (U)

The President: I want to talk about three things. First, I think we are making good progress on the strategic relationship document for the summit. I am pleased with the progress being made as long as the document does not fall into the hands of bureaucratic forces. (President Putin laughs.) I think we will have a great document that is good for you and for us. (U)

Secondly, I'm real pleased with what took place in Georgia. We are confident that the authorities are cleaning out the Pankisi Gorge. There were three mujahiddin arrested. It was a good strike against terrorism. And Khattab died. It looks like you

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2

are making good progress, and I'm pleased. I know that Georgia is doing its part in Pankisi Gorge. I hope this will make it possible to reach a political settlement in Chechnya. Anyway, I hope you feel the same way. (S)

And, finally, we are still working on chickens. The damn things won't go away. One day it looks like we have got it solved, and the next day, another issue pops up. I don't understand. The inability to move chickens into the market, as we agreed, is creating problems for me at home. I know Condi talked to your man there, Vladimir, so did the Ambassador. We need to show some progress. I'm going to talk to my minister, and I hope you will talk to yours so we progress to get this thing moving before my visit. Vladimir, we need to remove these problems on a market-based economy and on Jackson-Vanik. That is all I've got to discuss today. I'm really looking forward to the trip. Condi is making me read all sorts of books and watch historical videos so I will be one of the most well-read visitors to Russia this year. (President Putin laughs.) (S)

President Putin: George, let me tell you a few words by way of a reply. On the chickens, I probably don't know all the details. But you should know, that after our last talk, our agriculture minister lifted all restrictions and, beginning since April 17 or mid-April, our importers signed contracts for the delivery to Russia of 73,000 tons of chicken meat. I know American suppliers believe this is not good enough. Well, for one thing, the market is over saturated because late last year, too much chicken meat entered the market. And secondly, as I'm told, there is a question of Avian influenza. The chickens have this virus and Japan has closed down its market to U.S. chickens completely. Probably some may use this as a pretext to lobby this in their interest. I don't know, but I'll look into that. (S)

President Bush: Thanks. (U)

President Putin: Well, I can also say that our economy is under pressure from all quarters. Not to speak of the U.S. decision on metal, the EU suggested taking a decision to place prohibitive duties on grain, and they introduced subsidies for their livestock breeding. So, because of these prohibitive duties, we have to sell our grain inside the country for our livestock breeding, for our husbandry. At the same time, the EU is subsidizing their husbandry. That is why our livestock is out of the market. This is tough competition, but we would not like to see the situation for our U.S. partners worsen. I will look at what I can do to fix this and look at the differences. You are right; a meeting between our agriculture ministers would be a good thing to do. (S)

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3

Now, about Georgia, I would like to thank you for your principled position. I know this is your principle and your positive signal toward Shevardnadze. I don't think things have changed for the better in a radical way though, but your actions influence things in a positive way. Thank you for your positive signs. I believe they played a good role. I myself tried to be as tactful as possible, vis-à-vis Shevardnadze, to see what I can do to support him specifically. I shall have a look at that and will maybe meet with him. As for Khattab, this is a Saudi terrorist that has links to al-Qaida and bin Laden. His elimination was not in Georgia. He was destroyed in Chechnya, by our own efforts. (S)

The President: Yes, I know. (S)

President Putin: And we are now moving over to the next stage in Chechnya. We are establishing a ministry of the interior and a police force. So we shall transfer the function of maintaining order so we might be able to move gradually toward a political settlement in Chechnya. As for the strategic nuclear arms, indeed there was progress made and we have a positive assessment of this progress. I think we will be able to sign the document. I believe that we can do so. Another important development in relations is that I believe good progress on NATO-Russia was made. We are looking forward to your visit. This will be your first trip to Russian, and we would like you to remember this trip for a very long time. And that the U.S. people will remember the visit as a productive one which will make a serious contribution to international stability. And we want you and your wife to enjoy your stay. (S)

The President: Thank you, Vladimir. I'm looking forward to it and we'll talk. (U)

President Putin: Well, I'm at your disposal. If there is a need to discuss something or if something happens, I will take the liberty to call you again. All the best for your family. (U)

The President: Thank you. That will be great. Bye-bye. (U)

President Putin: Bye-bye. (U)

-- End of Conversation --

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